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Practicing CPA, vol. 18 no. 11, November 1994

American Institute of Certified Public Accountants (AICPA)

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Recommended Citation

American Institute of Certified Public Accountants (AICPA), "Practicing CPA, vol. 18 no. 11, November 1994" (1994). *Newsletters*. 1648.

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The Practicing CPA

NOVEMBER 1994

Published for All Local and Regional Firms by the AICPA Private Companies Practice Section 

KEYS TO SUCCESSFUL SEMINARS

Well-executed seminars can be most effective marketing tools. They enable you to communicate your knowledge, demonstrate your creativity and ability, and build relationships that can lead to new or additional business.

But have you ever presented a seminar that seemed to go well but produced little or no result, or one that had a disappointingly low turnout, or one that suffered from poor presentations? Following are five keys to presenting successful seminars that can enhance your business development efforts. You may find them helpful.

Planning seminars

There are two primary elements to the planning of successful seminars: 1) selecting the right target audience and 2) covering all logistical bases. Over time, your seminars will be more successful if you target an audience that has the potential for producing profitable business for you. A group that has similarities to the top 20 percent of your client base would probably offer the best prospects for that.

Seemingly trivial details can make a difference between the success or failure of a seminar. There are so many logistical items to take care of that it is best to use a checklist to make sure nothing is overlooked. (See the exhibit on page 7 for some checklist suggestions.) Meet with staff after each seminar to determine which checklist items should be changed for the next program.

Select a topic that communicates "benefit"

People who attend your seminars have invested at least their time and expect some return on their investment. Other than promising to give a \$100 bill to all who attend, or featuring a popular (and expensive) speaker, the seminar topics must clearly offer some benefit if attendance is to be satisfactory.

For example, seminars on, say, "The New Tax Act" or "Sales Force Automation" don't spell out any benefit for attendees, and the invitations to them aren't likely to have high impact. But more creative topics and titles, "20 Tax Reduction Strategies to Save You Thousands" or "Increase Your Sales by Improving Sales Force Productivity," for example, state possible benefits and certainly sound more enticing. These are points you might want to keep in mind before you finalize seminar topics.

Make your seminars great

Paul LeRoux, in *Selling to a Group*, says, "Successful client seminars walk a fine line between advice and entertainment." Every audience has its own characteristics. Presenters will relate to the audience better by focusing on attendees' common interests. The more the audience is involved, the better the presentation will be received.

Some of the ways good presenters get audience

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PCPS Advocacy Activities

TIC meets with standard setters

The technical issues committee (TIC) of the private companies practice section plays a crucial role in PCPS advocacy efforts by acting as liaison to the Financial Accounting Standards Board, its governmental counterpart, GASB, and the American Institute of CPAs standard-setting bodies. TIC's annual meeting with FASB and GASB provides an opportunity for a frank exchange on how proposed standards affect small businesses and governments and where implementation help is needed.

The first agenda item at the meeting in September was FASB Statement no. 5, *Accounting for Contingencies*. TIC expressed concern about the three terms in the Statement—probable, reasonably possible, and remote—used to determine whether or not a loss contingency should be accrued or disclosed, saying that practitioners continue to have difficulty in applying these terms in specific circumstances.

TIC asked FASB whether illustrative guidance might be developed to bring about a clearer understanding of the Statement and a more accurate and consistent application of its provisions.

The question prompted a discussion of various methods of assessing the relative values of the three terms and how other factors, such as materiality and severity of potential impact, might affect an auditor's judgment as to which degree of uncertainty is appropriate. To gain further insight into the matter, FASB suggested TIC provide examples of circumstances in which practitioners are experiencing difficulty applying the terms.

Similar practice difficulties are emerging over the increased dependence on "soft" information in applying accounting standards. In the small business arena, such information (on which local practitioners must also state an opinion) is often derived from highly subjective judgments. Nevertheless, this is the type of information users want. Following a discussion of the auditing difficulties that arise, FASB asked TIC to provide specific examples, to see

TIC Initiates Pilot Information Exchange

TIC is planning to augment its efforts to help FASB and GASB assess the potential impact of their proposals on small business and governmental entities through a cooperative effort with the accounting committees of state CPA societies and associations of CPA firms.

In a pilot program, TIC has requested the Florida Institute of CPAs (FICPA) accounting committee's opinions on specific issues in the FASB preliminary views document on consolidation policy, and will share its own observations. The FICPA committee has submitted a member's expertise list to facilitate future exchange of information with TIC on industry-specific issues.

Cooperating organizations will benefit by being able to communicate to their members an early understanding of proposed guidance and participate in the standard-setting process at a point when comments are most effective.

whether the problems relate primarily to accounting requirements or to a need for additional auditing guidance.

Another discussion concerned the availability of guidance on combining related entities. Although this is not covered in FASB's preliminary views document on consolidation policy, which focuses on defining control, the Board asked TIC to provide some everyday examples of combining entities, indicating where existing consolidation standards fail to provide adequate guidance that may also be applied to combinations.

Following its meeting with FASB, TIC met with the chairman and staff of GASB. Among issues discussed was how accounting for capital assets would be treated in the governmental financial reporting model. GASB expects to research the feasibility of various approaches and asked TIC to compile a list of small governments willing to participate in such a project. ☑

The Practicing CPA (ISSN 0885-6931), November 1994, Volume 18, Number 11. Publication and editorial office: 1211 Avenue of the Americas, New York, NY 10036-8775. Copyright © 1994 American Institute of Certified Public Accountants, Inc. Printing and mailing paid by the private companies practice section (PCPS) of the AICPA division for CPA firms. Opinions of the authors are their own and do not necessarily reflect policies of the Institute.

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Highlights of Recent Pronouncements

FASB Technical Bulletin

No. 94-1 (April 1994), *Application of Statement 115 to Debt Securities Restructured in a Troubled Debt Restructuring*

- ☐ Clarifies that FASB Statement no. 115, *Accounting for Certain Investments in Debt and Equity Securities*, applies to a loan that was restructured in a troubled debt restructuring involving a modification of terms if the restructured loan meets the FASB Statement no. 115 definition of a security.
- ☐ Effective for financial statements issued after April 30, 1994.

GASB Statements of the Governmental Accounting Standards Board

No. 24 (June 1994), *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*

- ☐ Establishes accounting and financial reporting standards for pass-through grants, food stamps, and on-behalf payments for fringe benefits and salaries.
- ☐ Amends paragraph 8 of National Council on Governmental Accounting (NCGA) Statement 2, *Grant, Entitlement, and Shared Revenue Accounting by State and Local Governments*.
- ☐ Requires:
 - 1) State governments to recognize their distributions of food stamp benefits as revenue and expenditures in the general fund or a special revenue fund, whether the state government distributes the benefits directly or through agents and whether the benefits are in paper or electronic form;
 - 2) Employer governments to recognize revenue and expenditures or expenses for on-behalf payments;
 - 3) Governmental entities that make on-behalf payments for fringe benefits and salaries to classify those payments in the same manner that they classify similar cash grants to other entities.
- ☐ Effective for financial statements for periods beginning after June 15, 1995. Earlier application is encouraged.

No. 23 (December 1993), *Accounting and Financial Reporting for Refundings of Debt Reported by*

Proprietary Activities

- ☐ Supersedes paragraphs 13 and 14 of NCGA Interpretation 9, *Certain Fund Classifications and Balance Sheet Accounts*, as amended by GASB Statement no. 7, *Advance Refundings Resulting in Defeasance of Debt*.
- ☐ Establishes standards of accounting and financial reporting for current refundings and advance refundings resulting in defeasance of debt reported by proprietary activities—that is, proprietary funds and other governmental entities that use proprietary fund accounting.
- ☐ Requires, for current refundings and advance refundings resulting in defeasance of debt reported by proprietary activities, that the difference between the acquisition price and the net carrying amount of the old debt be deferred and amortized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.
- ☐ Effective for financial statements issued for periods beginning after June 15, 1994. Earlier application is encouraged.

No. 22 (December 1993), *Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds*

- ☐ Amends:
 - 1) Paragraph 67 of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*;
 - 2) The AICPA's 1974 Industry Audit Guide *Audits of State and Local Governmental Units*;
 - 3) Statement of Position (SOP) 75-3, *Accrual of Revenues and Expenditures by State and Local Governmental Units*.
- ☐ Requires revenue from taxpayer-assessed taxes, such as sales and income taxes, net of estimated refunds, to be recognized in governmental funds in the accounting period in which they become susceptible to accrual—that is, when they become both *measurable* and *available* to finance expenditures of the fiscal period.
- ☐ Effective for financial statements for periods beginning after June 15, 1994. Earlier application is encouraged.

Statement on Auditing Standards

No. 73 (July 1994), *Using the Work of a Specialist*

- ☐ Supersedes SAS no. 11, *Using the Work of a Specialist*.

- ☐ Provides guidance to the auditor who uses the work of a specialist in performing an audit in accordance with generally accepted auditing standards.
- ☐ Applies to:
 - 1) Specialists, including but not limited to, actuaries, appraisers, engineers, environmental consultants, and geologists;
 - 2) Attorneys engaged as specialists in situations other than to provide services to a client concerning litigation, claims, or assessments to which SAS no. 12, *Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments*, applies;
 - 3) Audits of financial statements prepared in conformity with generally accepted accounting principles (GAAP) and to engagements performed under SAS no. 62, *Special Reports*, including a comprehensive basis of accounting other than GAAP.
- ☐ Effective for audits of periods ending on or after December 15, 1994. Earlier application is encouraged.

Statements of Position

No. 94-3 (September 1994), *Reporting of Related Entities by Not-for-Profit Organizations*

Amends and makes uniform the guidance concerning reporting related entities in the following AICPA publications:

- 1) Industry Audit Guides *Audits of Voluntary Health and Welfare Organizations* and *Audits of Colleges and Universities*;
 - 2) Audit and Accounting Guide *Audits of Certain Nonprofit Organizations*;
 - 3) SOP 78-10, *Accounting Principles and Reporting Practices for Certain Nonprofit Organizations*.
- ☐ Provides guidance for reporting (a) investments in for-profit majority-owned subsidiaries; (b) investments in common stock of for-profit entities wherein the not-for-profit organization has a 50 percent or less voting interest, and (c) financially interrelated not-for-profit organizations.
 - ☐ Effective for financial statements issued for fiscal years beginning after December 15, 1994, except for not-for-profit organizations that have less than \$5 million in total assets and less than \$1 million in annual expenses. For those organizations, the effective date shall be for fiscal years beginning after December 15, 1995. Earlier application is permitted. For organizations that adopt FASB Statement No. 117, *Financial Statements of Not-for-Profit*

Organizations, prior to its effective date, earlier application of this SOP is encouraged.

No. 94-2 (September 1994), *The Application of the Requirements of Accounting Research Bulletins, Opinions of the Accounting Principles Board, and Statements and Interpretations of the Financial Accounting Standards Board to Not-for-Profit Organizations*

- ☐ Provides:
 - 1) Guidance on the application of Accounting Research Bulletins, Opinions of the Accounting Principles Board (APB) of the AICPA, and Statements and Interpretations of the FASB to not-for-profit organizations;
 - 2) That not-for-profit organizations should follow the guidance in effective provisions of ARBs, APB Opinions, and FASB Statements and Interpretations except for specific pronouncements that explicitly exempt not-for-profit organizations.
- ☐ Effective for financial statements issued for fiscal years beginning after December 15, 1994, except for not-for-profit organizations with less than \$5 million in total assets and less than \$1 million in annual expenses. For those organizations, the effective date shall be for fiscal years beginning after December 15, 1995. Earlier application is permitted. For organizations that adopt FASB Statement No. 117 prior to its effective date, earlier application of this SOP is encouraged.

No. 94-1 (April 1994), *Inquiries of State Insurance Regulators*

- ☐ Amends chapter 2, "Audit Considerations," of the AICPA Audit and Accounting Guide *Audits of Property and Liability Insurance Companies*.
- ☐ Amends chapter 9, "Auditing Procedures," of the AICPA Industry Audit Guide *Audits of Stock Life Insurance Companies*.
- ☐ Addresses the auditor's consideration of regulatory examinations as a source of evidential matter in conducting an audit of an insurance enterprise's financial statements and the auditor's evaluation of material permitted statutory accounting practices applied by insurance enterprises.
- ☐ Applies to audits of financial statements of life insurance enterprises, property and casualty insurance enterprises, title insurance enterprises, mortgage guaranty insurance enterprises, assessment enterprises, fraternal benefit societies, reciprocal or interinsurance exchanges, pools other than public-entity risk pools, syndicates, and captive insurance companies.
- ☐ Effective for audits of financial statements for periods ending on or after December 15, 1994.

Your Voice In Washington

Congress passes "nanny tax" bill

A "nanny tax" bill passed by Congress and signed by President Clinton updates and simplifies how employers will report and pay Social Security taxes for domestic employees. Covered are such employees as baby-sitters, housekeepers, and yard workers.

The bill includes two provisions supported by the AICPA—an increase in the reporting threshold and an exemption for employees under the age of 18. The AICPA's recommendation that employers report the payment of Social Security taxes by continuing to file IRS Form 942 separate from Form 1040 was not adopted by Congress.

Specifically, the Social Security Domestic Employment Reform Act of 1994 will

- ☐ Increase the reporting threshold from \$50 quarterly to \$1,000 annually.
- ☐ Replace the present quarterly filing system by employers using Form 942 with an annual reporting and payment system using a revised Form 1040 for years 1995 through 1997. Beginning in 1998, employers would either increase their quarterly estimated tax payments or increase the taxes withheld from their own wages to cover their share of domestic employee Social Security tax.
- ☐ Be retroactive to January 1, 1994, thus making eligible for refunds those employers and employees who have paid Social Security taxes during 1994 if the employee's wages were below the \$1,000 ceiling.
- ☐ Protect employees who receive refunds in 1994 from loss of Social Security wage credits during 1994. To ensure there is no loss of credit, employers who would have been required to file a Form W-2 will still be required to do so and to report wages paid for the whole year in the "Social Security wages" box (even though the employer will receive a refund of any Social Security taxes paid).
- ☐ Exempt domestic workers under the age of 18, unless the individual's principal occupation is household employment.
- ☐ Cover domestic farm employees (who now must be treated as farm employees).
- ☐ Index the threshold in future years to the national average wage increase, although the threshold would rise only in \$100 increments.
- ☐ Require the Treasury Department to provide a comprehensive package of information to domestic employers.

This bill was one of the last bills Congress passed before adjourning in early October until after the November elections. ☒

Conference Calendar

National Conference on Banking*

November 3-4—Grand Hyatt, Washington, DC
Recommended CPE credit: 16 hours

Credit Unions Conference

November 7-8—Sheraton New Orleans, New Orleans, LA
Recommended CPE credit: up to 21 hours

National Small Firm Conference*

November 9-11—New Orleans Marriott, New Orleans, LA
Recommended CPE credit: up to 28 hours

Annual Conference on the Securities Industry

November 16-17—Jacob K. Javits Center, New York, NY
Recommended CPE credit: 14 hours

National Construction Conference

December 5-6—Desert Inn, Las Vegas, NV
Recommended CPE credit: 16 hours

Fall Tax Division Meeting*

December 5-7—The Pointe Hilton at South Mountain, Phoenix, AZ
Recommended CPE credit: 8 hours

Personal Financial Planning Technical Conference*

January 9-11—The Pointe Hilton at Tapatio Cliffs, Phoenix, AZ
Recommended CPE credit: 21 hours

Conference on Current SEC Developments*

January 10-11—Grand Hyatt, Washington, DC
Recommended CPE credit: 17 hours

To register or for more information, call the AICPA CPE division, (800) 862-4272.

*For more information, call the AICPA meetings and travel department, (201) 938-3232.

PCPS Toll-Free Numbers

PCPS member firms can obtain prompt help at the Institute by using PCPS's toll-free telephone and FAX numbers.

Jodi Ryan and Dave Handrich will assist PCPS members with questions on CPE, peer review status, discrimination, and other matters, and address queries about PCPS member products and services. If you are a PCPS member firm and need help, you can contact Jodi and Dave via tel. (800) CPA-FIRM and FAX (800) FAX-1112.

Leadership Skills for Small Firm Practitioners

Small firm practitioners will need leadership skills, not just management skills, to prosper in the years ahead. Consider for a moment some of the developments that have already forced changes in the way accounting is practiced in local firms.

Increased competition and litigation, more professional standards, and higher labor costs are a few trends that quickly come to mind. Then there are others, such as growing numbers of self-employed people, niche industries, and new businesses, plus there are more career options and continued technological advances. These developments have all led to changes in the way firms manage their operations and market their services.

The challenges such trends have created will continue. Differentiation will be of the utmost importance in the years ahead, and practitioners will need to engage in constant learning to stay abreast of industry developments. There will be an increased need for vision and strategic thinking.

But for firms that are up to the challenges of the next decade, opportunities will be plentiful. More work will come from assisting new business start-ups, and from helping mature businesses meet market demands. But as stated above, practitioners will need to be both leaders and managers to meet the challenges and capitalize on the opportunities.

Ways to improve leadership skills

As a first step, it is helpful to understand how personality traits affect our working relationships with clients and staff. A practical method is to use one of the several personality typology instruments available. Some of these can be self-scored; others require trained professionals to score and evaluate them. Three common instruments are Predictive Index, DiSC, and Myers-Briggs Type Indicator.

Various self-help books and inexpensive software packages are also available. Nevertheless, I recommend the use of validated instruments, such as the above, with feedback from trained professionals to help sort out the issues.

As with personality traits, instruments have been developed to help identify a person's conflict management style, the level of certain management skills, and other traits. The choice of instrument will depend on a leader's particular needs and firm situation.

Understanding other people and their individual needs is an important aspect of leadership. To really get to know employees and partners, the leader will need to spend time with them and listen to what is really important to them with empathy and understanding.

Leaders need to anticipate and stay abreast of relevant trends. They need to develop a broadly focused vision, and their views of these trends will play a major part in that. A good way to learn what is happening in areas outside your own field of expertise is to read extensively.

Try reading scholarly as well as general business publications and management texts. Participate in industry and professional organizations and attend their meetings and conferences. Share ideas with like-minded individuals and take courses in subjects such as service quality, innovation, interpersonal skills, and marketing strategy. These will all help broaden your perspective.

Getting others to buy into your vision

Getting people to overcome organizational inertia is the true litmus test of effective leadership. Building relationships with partners and staff, showing how using your vision will help them, and involving them in its implementation will help gain acceptance.

Keeping a positive and enthusiastic attitude is essential. Not all efforts will lead to success, and the occasional failure could have a negative impact on people's commitment to the vision. But if they are allowed to make mistakes and learn from them in a supportive environment, people become more resilient and better able to recover from any temporary setback.

Growing into a leadership role can take time and more effort than one ever imagined. The basic business must continue at the same time people are learning new skills, the firm culture is changing, and implementation of action plans is beginning.

The practical visionary demands measurable results. This requires skills in personal time management, project management, and delegation and supervision. Such a leader works with partners and staff to develop specific action plans with due dates and responsibility assignments.

Goals and action plans need to be specific. Deadlines and responsibilities need to be assigned and monitored. Unless performance is expected, measured, and, monitored, it most likely will not occur. People need to be held accountable for performance and results.

The act of leadership and the act of management cannot be separated in a local CPA firm. Sole practitioners and partners need to know how to be both leaders and managers. The bottom line of the firm is the seam between leadership and management. ☒

—by **Dominic A. Cingoranelli, CPA**, *Grimsley, White & Company, 505 West Eighth Street, Pueblo, Colorado 81003-3008, tel. (719) 544-1047*

Keys to Successful Seminars

(continued from page 1)

involvement is by asking people to stand, raise their hands, role play, or otherwise respond to questions. These presenters add to the credibility of what they are saying by demonstrating how current their information is. An example of this would be to hold up the latest issue of a publication when quoting from it.

Another way to make a presentation great is to try to communicate with the audience the same way you converse with good friends on a subject in which you are all interested. If there is a significant difference in the two approaches, change your prepared remarks and rehearse your presentation until you sound natural, personable, and enthusiastic.

Hold a dress rehearsal with all presenters just before the event to eliminate duplication, develop tight timing, and provide smooth transitions from one speaker to another. And keep in mind that while audiovisuals and handout materials can be useful on occasion, they might take the spotlight off the presenters. This will not further the purpose of the seminar.

Follow up on invitations

Whether or not an invitation was accepted, the seminar still offers opportunities for marketing interaction. Invited guests who were unable to attend can be sent copies of the seminar materials and told that someone will call specifically to discuss elements of the program with them. And firm staff should be prepared to make follow-up appointments with guests at the seminar.

A follow-up program does not need to be high pressure. If you simply call to ask what they enjoyed about the program, clients and prospects will be open to discussion if there is an interest on their part. Follow-up contacts are the biggest factor in whether or not a seminar is successful as a business development tool.

Seminars should be part of a marketing program

If you only hold one seminar every year or so, you will find it yields a low return. Not only that, you will find it is more difficult to present. The more often you present seminars, the more proficient you become at it and, usually, the better the audience responds to them.

In many respects, the better response is because you have learned to target your audience succinctly and have honed your ability to communicate your knowledge and demonstrate your firm's capabilities in certain service areas. As stated at the beginning of this article, that is the purpose of a seminar. ☒

Seminar Checklist

Planning

Check that:

- ☐ Room location has no distractive elements.
- ☐ Room size is appropriate.
- ☐ Seating arrangements permit interaction.
- ☐ Lighting is adequate and works properly.
- ☐ Audiovisual equipment is available.
- ☐ Refreshments will be available.
- ☐ All speakers will be available.
- ☐ Presentation topic offers benefits.

Administration

- ☐ Prepare target audience invitation list.
- ☐ Prepare appropriate invitations.
- ☐ Mail invitations 2-4 weeks in advance.
- ☐ Issue news release 1-2 weeks in advance.
- ☐ Confirm attendance 3 days in advance.
- ☐ Prepare name tags.
- ☐ Prepare follow-up letters.
- ☐ Prepare all seminar materials.
- ☐ Rehearse presentations until satisfied.

Day of seminar

- ☐ Assess total attendance.
- ☐ Finalize refreshment details.
- ☐ Check all room arrangements.
- ☐ Check materials for completeness.
- ☐ Check all equipment.
- ☐ Take marketing materials to location.
- ☐ Have presenters on-site one hour before.
- ☐ Assign duties to firm personnel.
- ☐ Remind personnel to make appointments.

Day after seminar

- ☐ Prepare list of priority targets.
- ☐ Call high-priority prospects.
- ☐ Mail "thank you" letters to other attendees.
- ☐ Begin planning next program.

Two weeks after seminar

- ☐ Meet to review results of follow up.
- ☐ Make suggestions for improvement.

—by **Troy A. Waugh, CPA**, Waugh & Co., P.O. Box 1208, Brentwood, Tennessee 37024-1208, tel. (615) 373-9880

Survey on Women and Work/Family Issues Released

The AICPA women and family issues executive committee recently released a survey on women's status and work/family issues in public accounting. The survey of 5,000 public accounting firms revealed that 26 percent of new partners are women (39 percent in smaller firms), and that, overall, promotions are proportionate to gender percentages at various levels. Higher female turnover at levels below partner leaves fewer women to promote, however.

In focus groups and interviews, managing partners identified various real and perceived barriers to women's upward mobility. These include workload compression and its impact on work/life balance, increased travel due to specialization, generally reduced firm growth rates and profitability issues, and the perception that women leave public accounting after having children. The survey showed, however, that 89 percent of the women who took maternity-related leaves of absence returned to their firms.

Only 3 percent of the respondents offer alternative partnership or shareholder arrangements. These were most often described as part-time arrangements, with compensation pro-rated based on time worked or billable hours.

Actual arrangements reported include:

"Female partner who is primarily responsible for individual income tax preparation, who works from January through July and spends August through December at home with her children."

"Flex-time for a woman partner: 50-60 hours a week in January through April, and 24 hours a week in May through December."

"Partners have full discretion to work as much or as little as desired. Compensation is awarded accordingly."

"Income for partners based on consistent dollars brought in per year. No time parameter."

Part-time hours are the most popular flexible work option offered by responding firms. Sixty-five percent offer this option, 56 percent offer flex-time hours, and 44 percent offer special summer or holiday hours. By comparison, 24 percent of the firms offer work-at-home options, and 7 percent offer job sharing. Thirty-two percent of the firms offer sick and emergency child-care programs, 19 percent offer paternity leave, and 10 percent offer elder-care programs.

To purchase the executive summary of quantitative, work group, and interview results (product no. 876799, cost \$3) or the full report (product no. 876800, cost \$25), call the AICPA order department, (800) TO-AICPA. Ask for operator PC. ☒

